

## **PCA – Process Home and Community-Based Services (HCBS) Waiver Provider Cost Report and Perform Desk Review or Field Audit**

**Purpose:** Review the cost report using desk review or field audit procedures to determine if reported costs are allowable and reasonable for Home and Community-Based Services (HCBS) Waiver providers.

### **Identification of Roles:**

1. Accounting Assistant – reviews the cost report to determine if all the necessary information was completed and received. Imports/data enters cost report. Also reviews the reported items to make sure it foots and ties out to supporting documentation.
2. Staff Accountant – performs desk review or field audit procedures to determine reasonable and allowable costs.
3. Senior Accountant – may perform desk review procedures, performs field audit procedures and may perform first reviews.
4. Supervisor – may perform first review of field audit procedures and performs final review of field audit procedures and adjustments.
5. Manager – performs final review of field audit procedures and adjustments.

### **Performance Standards:**

Perform annual desk review and notify the provider and the Department of the new payment rate by sending a rate sheet within 90 days of receipt of the financial and statistical report.

Notify the provider and the Department of the new payment rate by sending a “rate sheet” within two months of the end of the month after receipt of the financial and statistical report.

### **Path of Business Procedure:**

- Step 1: Mail blank Cost Report to provider via mail.
- Step 2: Mailroom receives Cost Report and scans into On-Base. If electronic version, then the disk is sent to Provider Cost Audit.
- Step 3: Postmark date of Cost Report is scanned into On-Base.
- Step 4: Receive notification from On-Base that cost report is ready for processing
- Step 5: Receive hard copy or electronic version of Cost Report from mailroom.
- Step 6: Perform preliminary review.
- Step 7: Log receipt of Cost Report in status log in Access and the Iowa Medicaid Cost and Rate System (IMCARS).

- Step 8: Send "Cost Report Acknowledgment" letter to agency. Letter is located on the Provider Cost Audit share drive.
- Step 9: Cost Report information is data entered/imported into IMCARS.
- Step 10: Review Cost Report for mathematical accuracy and completeness.
- Step 11: Log support staff review complete date in status log in Access and IMCARS.
- Step 12: Perform risk assessment using analytical procedures and make a scope determination.
- Step 13: Perform desk review and/or field audit.
- Step 14: Make necessary adjustments to reported data to determine allowable costs.
- Step 15: Prepare rates in accordance with the Department of Human Services (DHS) regulations.
- Step 16: Log accountant review complete date in status log in Access and IMCARS.
- Step 17: Perform first review of procedures and adjustments.
- Step 18: Log first review complete date in status log in Access and IMCARS.
- Step 19: If field audit, perform final review of procedures and adjustments.
- Step 20: Process Desk Review or Audit Report.
- Step 21: Send rate sheets to provider via mail.
- Step 22: Log date report sent in status log in Access and IMCARS.
- Step 23: Update rate and effective date in the Individualized Services Information System (ISIS) master file.
- Step 24: Give quarterly "Agreed Upon Procedure" Report to DHS.

### **Forms/Reports:**

1. Form 470-0664, Financial and Statistical Report
2. Provider workpapers.
3. Desk Review/Field Audit program and workpapers.
4. Desk Review/Field Audit Report.
5. Provider rate notification

### **RFP References:**

Section 6.7.1.2b

### **Interfaces:**

IME Core unit  
Individualized Services Information System (ISIS)  
Iowa Medicaid Cost and Reporting System (IMCARS)

### **Attachments:**

Form 470-0664 –  
<http://www.ime.state.ia.us/docs/HCBSCostReport.xls>